



Cabinet Economic Development Committee

Minute of Decision

McGuinness Institute title:
[DEV-22-MIN-0059] Emissions
Reduction Plan: Agriculture
Initiatives

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Emissions Reduction Plan: Agriculture Initiatives

Portfolio **Agriculture**

On 30 March 2022, the Cabinet Economic Development Committee (DEV):

Emissions reduction challenge for agriculture

- 1 **noted** that on 15 December 2021, DEV agreed to the following sub-targets for the agriculture sector: 159.4Mt of CO₂-e in emissions budget one (2022-2025), 191Mt in emissions budget two (2026-2030), and 183Mt in emissions budget three (2031-2035) [DEV-21-MIN-0277];
- 2 **noted** that sub-targets for agriculture require the government to set out a comprehensive package of initiatives to reduce agriculture emissions across all three emissions budgets through to 2035 in its emissions reduction plan;
- 3 **noted** that to set the sector up to further narrow the gap in emissions budget one and emissions budget two, Cabinet agreement is sought to include additional proposals in the emissions reduction plan;

Proposed agriculture content for the emissions reduction plan

- 4 **agreed** to the Climate Change Commission's key recommendations for the government for agriculture, namely to:
 - 4.1 follow through on the commitment to implement a pricing mechanism to incentivise on-farm reductions;
 - 4.2 work with industry to develop advisory services;
 - 4.3 improve rural digital connectivity;
 - 4.4 remove barriers to deploying emerging technologies, such as streamlining food safety legislation;
 - 4.5 support systems and infrastructure for alternative, lower emission land uses;
 - 4.6 invest in research and development;
- 5 **noted** that initiatives for inclusion in the agriculture chapter of the emissions reduction plan respond to the Climate Change Commission's key recommendations, and fall under the following four action areas:

- 5.1 Action Area One: price agricultural emissions by 2025;
- 5.2 Action Area Two: accelerate development of new mitigations;
- 5.3 Action Area Three: support farmers to make changes;
- 5.4 Action Area Four: transition to lower-emission farming systems;

6 **noted** that the priority to enable Māori-led solutions is cross-cutting and integral to all four action areas;

Action Area One: price agricultural emission

7 **noted** that:

- 7.1 the He Waka Eke Noa partnership is currently consulting on two farm-level emission pricing options that could be introduced by 2025: a farm-level levy, and a processor-level hybrid levy;
- 7.2 the partnership will deliver its advice on emissions pricing to the government in May 2022;

8 **noted** that the Minister of Agriculture plans to include the following initiatives in the agriculture chapter of the emissions reduction plan:

- 8.1 He Waka Eke Noa Primary Sector Climate Action Partnership (*an existing initiative*);
- 8.2 Te Aukaha, a cross-connecting workstream that integrates Māori perspectives (*an existing initiative*);
- 8.3 a proposal to investigate an Early Adopters Fund to incentivise the adoption of available mitigation technologies (*a new initiative*);

9 **invited** the Minister of Agriculture to report back to DEV by September 2022 on the scope, budget and preferred funding mechanism of an Early Adopters Fund to support the adoption of mitigation technologies and practices;

Action Area Two: accelerate development of new mitigations

10 **noted** that the Minister of Agriculture plans to include the following initiatives in the agriculture chapter of the emissions reduction plan:

- 10.1 step change in investment in research and development, underpinned by a research and development plan for science and mātauranga to reduce biological emissions from agriculture (*a new initiative*);
- 10.2 streamlining regulatory pathways for new technologies (*an existing initiative*);
- 10.3 the government to work in partnership with primary sector representatives to establish a new Agriculture Greenhouse Gas Centre of Excellence (*a new initiative*);

11 **authorised** the Prime Minister, the Minister of Finance, the Minister of Agriculture, and the Minister of Research, Science and Innovation to negotiate and enter into an agreement with industry on the scope, form, and establishment of a joint venture as part of a new Agriculture Greenhouse Gas Centre of Excellence (subject to Budget 2022 decisions);

- 12 **invited** the Minister of Agriculture to report back to DEV in June 2022 with advice on the establishment of the Centre of Excellence;

Action Area Three: support producers to make changes

- 13 **noted** that the Minister of Agriculture plans to include the following initiatives in the agriculture chapter of the emissions reduction plan, dependent on final Budget 2022 or future budget decisions where applicable:

- 13.1 an expanded climate-focussed extension and advisory service (*a new initiative*);
- 13.2 new Tikanga-based programmes to support change on farms (*a new initiative*);
- 13.3 improving rural digital connectivity to improve access to information and online tools (*an existing initiative*);

Action Area Four: transition to lower emissions systems

- 14 **noted** that diversifying land uses, including switching some land currently in livestock agriculture to horticulture or arable cropping, could reduce emissions and generate economic benefits;
- 15 **noted** that the Minister of Agriculture plans to include the following initiatives in the agriculture chapter of the emissions reduction plan:
- 15.1 building the evidence base for regenerative agriculture (*an existing initiative*);
 - 15.2 food and fibre science and mātauranga accelerators (*an existing initiative*);
 - 15.3 a proposal to investigate the feasibility and how the government could support Pāmu to reduce gross emissions further (*a new initiative*);
- 16 **agreed** that Shareholding Ministers will ask the Landcorp Farming Limited (Pāmu) Board to work with officials from Treasury and the Ministry for Primary Industries to investigate how the government could support Pāmu to further reduce its gross emissions and understand the likely costs and benefits;
- 17 **noted** that the feasibility of further emission reductions have not been assessed by officials and that, accordingly, s 9(2)(g)(i), s 9(2)(j)
s 9(2)(j), s 9(2)(g)(i)
- 18 **invited** Shareholding Ministers, together with the Minister of Agriculture, to report back to DEV by September 2022 on the outcome of the investigation referred to above;

Progressing agriculture content of the emissions reduction plan

- 19 **noted** that the proposed agriculture content for the final emissions reduction plan will be subject to editorial changes and content updates by the Ministry for Primary Industries and the Ministry for the Environment, which will be agreed with the Minister of Agriculture where necessary.

Janine Harvey
Committee Secretary

Present: (see over)

Present:

Rt Hon Jacinda Ardern
Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon David Parker
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Michael Wood
Hon Dr David Clark
Hon Dr Ayesha Verrall
Hon Meka Whaitiri
Hon Phil Twyford
Rino Tirikatene, MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

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